



2011 Open Enrollment

Oct. 21 – Nov. 19, 2010



An important benefit change
beginning Jan. 1, 2011

As part of the Patient Protection and Affordable Care Act (healthcare reform), a child can be covered under your medical plan up to age 26. To be eligible for coverage beginning Jan. 1, 2011, the child must be:

- your natural, step, foster, adopted or legal guardianship/legal custody child and
- be less than 26 years old.

There are no other eligibility requirements.

To add a child to your medical coverage, go to the online Open Enrollment site available through eBenefits on InsideNet. You must have his or her Social Security number and date of birth. Enrollment has been extended this year specifically because of this change.

To be eligible for coverage for benefits other than medical, your child must continue to meet the current eligibility rules applicable for that benefit.

**Employees can select their 2011 benefits from Oct. 21 – Nov. 19, midnight Eastern time.
The selections will be in effect throughout calendar year 2011.**

The following changes will be effective Jan. 1, 2011.

Children can be covered to age 26 under the TVA Medical Plan. See previous page for more information.

There will be four enhancements to each of the medical plan options.

1 Children under age 19 no longer have to provide proof of previous health coverage in order to eliminate a waiting period for pre-existing conditions. If you have a child under age 19 who is still in a pre-existing condition waiting period on Jan. 1, 2011, the child's waiting period will automatically end at midnight Dec. 31, 2010. This change is part of the Patient Protection and Affordable Care Act.

2 The number of routine checkups paid at 100 percent for children up to age 6 will increase. The new schedule is:

Birth to age 1 - five exams (in addition to the physician exam in the hospital)

Age 1 up to 2 - three exams

Age 2 up to 3 - two exams

Age 3 up to 6 - one exam per year

3 There will no longer be a limit (or maximum) as to the amount paid by the medical plan for the following major organ transplant procedures: heart, heart and lung, liver, pancreas, lung (single or double), small bowel, small bowel/liver. This change is part of the Patient Protection and Affordable Care Act.

4 Inpatient and outpatient mental health and substance abuse services will be covered the same as other conditions. There will no longer be any day or visit limits.

Another medical plan enhancement became effective in 2010 to cover flu shots — seasonal and H1N1 (swine flu) — at 100 percent. This change was retroactive to Jan. 1, 2010. The shots will be paid in full regardless of whether or not you have used all of your \$500 preventive care benefit.

The Flexible Spending Accounts will have two changes.

1 The Limited Purpose Health Care Flexible Spending Account will no longer be offered due to low enrollment.

2 Over-the-counter medication, unless prescribed by a doctor, will no longer be reimbursable from a Flexible Spending Account. This change is part of the Patient Protection and Affordable Care Act.

The Health Savings Account will have two changes.

1 Over-the-counter medication, unless prescribed by a doctor, will no longer be reimbursable from a Health Savings Account. This change is part of the Patient Protection and Affordable Care Act.

2 The tax penalty for withdrawing money from a Health Savings Account for non-qualified medical expenses will increase from 10 percent to 20 percent. This change is part of the Patient Protection and Affordable Care Act.

There will be a new life insurance plan administrator.

The administrator of the life insurance plan will change to Aetna. There will be no changes to life insurance benefits or options.

A HealthCheck✓ credit earned in FY2010 will be automatically applied during enrollment.

You will not have to take any action during enrollment. The premiums for your 2011 benefit elections will be automatically offset by the HealthCheck✓ credit you earned.

Congratulations to the more than 4,000 employees who reduced their benefit costs and learned more about their health by participating in HealthCheck✓!

SAVE THE DATE!

NOW – Review your benefit needs for 2011. Learn details of your benefit choices on eBenefits on InsideNet under Self Service Solutions by clicking on the plan name.

WEEK OF OCT. 11 – Try different scenarios using the Health Plan Comparison Tool available at www.bcbst.com.

Read the Open Enrollment newsletter with information on how to enroll online. It will be mailed to employees' homes.

OCT. 21 – Review your personalized fact sheet available through eBenefits.

OCT. 21 - NOV. 19 – Open Enrollment for 2011 — Elect your benefits online by midnight Eastern time.

IT'S IMPORTANT TO ENROLL

- To have a Health Care Spending Account or Dependent Care Spending Account in 2011, you must enroll during open enrollment.
- If you don't elect medical or dental coverage during open enrollment, you will be automatically enrolled in the same medical or dental plan with the same level of coverage — individual or family — you had in 2010.

BENEFITS FOR 2011

Medical Plan

Your medical plan choices for 2011 are: Copayment Plan, 80 Percent Co-insurance Plan or Consumer-Directed Health Plan. The biweekly premiums you will pay for your medical plan are shown below.

2011 MEDICAL PLAN PREMIUMS			
Medical Plan Options	2011 Total Biweekly Premium*	2011 Full-time Employee Biweekly Premium	2011 Part-time Employee Biweekly Premium
Copayment Plan			
Individual	\$354	\$170	\$262
Family	\$850	\$408	\$629
80 Percent Co-insurance Plan			
Individual	\$230	\$46	\$138
Family	\$552	\$110	\$331
Consumer-Directed Health Plan			
Individual	\$120	\$12	\$66
Family	\$289	\$29	\$159

* This is TVA's contribution plus employees' premium

Dental Plan

Your dental plan choices for 2011 are: Dental2000 w/Ortho, Dental1200 or Dental0750. The biweekly premiums you will pay for your dental plan are shown below.

2011 DENTAL PLAN PREMIUMS			
Dental Plan Options	2011 Total Biweekly Premium*	2011 Full-time Employee Biweekly Premium	2011 Part-time Employee Biweekly Premium
DENTAL2000 w/Ortho			
Individual	\$16.54	\$6.83	\$11.68
Family	\$46.63	\$19.23	\$32.93
DENTAL1200			
Individual	\$12.14	\$2.43	\$7.28
Family	\$34.25	\$6.85	\$20.55
DENTAL0750			
Individual	\$8.50	\$0.85	\$4.67
Family	\$23.96	\$2.40	\$13.18

* This is TVA's contribution plus employees' premium

TO KNOW MORE:

Review the benefit comparison charts available in the Open Enrollment newsletter mailed to your home and on eBenefits on InsideNet. Charts also are available at www.bcbst.com. Click on Self Service, Members, TVA employees, then Plan Details. You also can find answers to frequently asked questions by clicking on "How Do I..."

Accidental death and dismemberment insurance

You can choose accidental death and dismemberment insurance coverage for yourself from one to five times your pay. You may also elect coverage for your spouse equal to one-half of your coverage amount. If you are enrolled in accidental death and dismemberment insurance coverage, you also may choose coverage of \$5,000 or \$10,000 per eligible child. Your cost will be shown on your personalized fact sheet.



Life Insurance

TVA provides \$10,000 in core life insurance to each annual employee. You can elect additional life insurance from one to five times your pay. You also can purchase life insurance coverage for your dependents in the amounts of \$5,000 spouse/\$2,500 per child, \$10,000 spouse/\$5,000 per child or \$20,000 spouse/\$10,000 per child. The premiums for 2011 will decrease. Your cost will be shown on your personalized fact sheet.

Long-term disability

Long-term disability coverage that ensures 30 percent income replacement is provided by TVA at no cost to annual employees. You can elect optional long-term disability coverage for yourself that will provide an additional 35 percent income replacement of your high three-year average annual pay. The premiums for 2011 will decrease. Your cost will be shown on your personalized fact sheet.

IMPORTANT!

If you do not have optional life insurance coverage or long-term disability coverage now and want to enroll, or if you want to increase the amount of your current optional life insurance coverage, you will have to provide Evidence of Insurability. You must make your election during open enrollment; however, your coverage will not become effective until satisfactory Evidence of Insurability is provided.

- For life insurance: You will receive a letter from Aetna in January, if you are required to submit Evidence of Insurability, with details of how to submit your Evidence of Insurability online or via paper directly to Aetna.
- For long-term disability: While on eBenefits, click Evidence of Insurability to submit your long-term disability Evidence of Insurability online or via paper directly to UNUM.

Your coverage will become effective once the insurance company approves your Evidence of Insurability.



Flexible Spending Accounts

With a flexible spending account, you can set aside from \$130 to \$5,000 for eligible expenses before taxes are deducted from your paycheck. This means the amount of income your taxes are based on will be lower, resulting in a tax savings for you. Both health care and dependent care flexible spending accounts are available.

Health Care Flexible Spending Account

(You cannot elect this account if you will be enrolled in the Consumer-Directed Health Plan in 2011.)

If you, someone covered under your health care plan, or your tax dependent will have healthcare expenses in 2011 that will not be covered by your medical or dental plan, such as your deductible or co-insurance, or Lasik surgery, you can save money by contributing to this account.

You have until Mar. 15, 2012, to use the money you put into your 2011 Health Care Spending Account. Otherwise you will lose it.

Dependent Care Flexible Spending Account

This account is to help pay for dependent day care costs so you and your spouse (if married) can work or attend school. Eligible expenses include care provided inside your home (not provided by a dependent) and care provided outside your home (such as day care, pre-school and after-school care.) This account is NOT for healthcare expenses.

You have until Dec. 31, 2011, to use the money you put in your 2011 Dependent Care Spending Account. Otherwise you will lose it.

TO KNOW MORE:

There are certain types of expenses that are reimbursable from a flexible spending account.

- Go to www.spendingaccounts.info
- Click the Eligible Expenses Guide or review IRS Publications 502 (Health Care) and 503 (Dependent Care) available from the Internal Revenue Service website at <http://www.irs.gov>.

Short Term Disability and Critical Illness

You can choose short-term disability coverage up to 50 percent of your gross monthly salary, up to \$3,000 a month. You can choose critical-illness insurance in benefit amounts from \$5,000 to \$50,000 in \$1,000 increments.

These plans are available directly from UNUM Provident and are not part of TVA's online enrollment. To enroll or for more information, call UNUM's Enrollment Center at 1-866-792-3526 Monday-Friday from 9 a.m. to 6 p.m., Eastern time.

Your premium payments can be deducted from your paycheck, and you can enroll in these benefits any time throughout the year.

Health Savings Account

A Health Savings Account is available to participants in the Consumer-Directed Health Plan. For 2011, TVA will make a contribution of \$600 for individual coverage or \$1,200 for family coverage to the Health Savings Account for Consumer-Directed Health Plan members with a Health Savings Account with HSA Bank.

If you enroll in the Consumer-Directed Health Plan, you will be able to open your Health Savings Account with HSA Bank while enrolling on the online Open Enrollment website. You can also set up pre-tax payroll deductions at the same time, if you wish. In late December, new accountholders will receive a welcome kit. Within five to 10 days after receiving the welcome kit, a HSA Bank VISA debit card will arrive.

If you currently have a Health Savings Account with HSA Bank, you will not need to take any action. Also, if you are currently contributing to your Health Savings Account through payroll deduction, your deduction will continue into 2011. You can change your deduction any time through Self Service Solutions.

ENROLL ONLINE OCT. 21 - NOV. 19.
IT'S QUICK AND EASY.

The Open Enrollment site will be available through eBenefits on InsideNet. Under Self Service Solutions, click Benefits, then eBenefits, then Open Enrollment. You cannot change your benefit elections after Jan. 1, 2011, unless you experience specific life events as determined by the Internal Revenue Service.



IMPORTANT!

Review and print (or e-mail it so you can file it electronically) your Confirmation of Elections after completing your online enrollment.

TO KNOW MORE:

Review your personal fact sheet. Your fact sheet shows the cost of each of your 2011 benefit options and will be available on eBenefits when enrollment begins.